

Testimony
SB 2012 – Department of Human Services
Senate Appropriations Subcommittee
Senator Fischer, Chairman
January 31, 2007

Chairman Fischer and members of the Senate Appropriations Subcommittee, I am Tim Sauter of the Department of Human Services. I am submitting this written testimony to provide you an overview of the budget for the West Central and Badlands Human Service Centers.

West Central Human Service Center

West Central Human Service Center (WCHSC) serves the residents of Burleigh, Emmons, Grant, Kidder, McLean, Mercer, Morton, Oliver, Sheridan, and Sioux counties.

Clients Served

- 4,542 individuals received service in Fiscal Year 2006 (3,382 adults and 1,160 children).
- 1,578 individuals received vocational rehabilitation services.
- A high percentage (88-91%) of adults who receive services and parents whose children receive services report satisfaction.
- 83% identify that they have improved ability to deal with their daily problems.

Trends

- The number of individuals with developmental disabilities receiving services has increased from 657 in State Fiscal Year (SFY) 1998 to 1,021 in SFY 2006.

- Clients present with more complex conditions and multiple diagnoses.
- While alcohol remains the biggest drug problem, there are increasing numbers of clients who have poly-substance abuse problems.
- Increasing numbers of referrals come from the Department of Corrections and Rehabilitation; this comprises 60% of WCHSC adult addiction clients.
- It continues to be difficult to locate a provider for safe beds for children and for residential services for adolescents receiving substance abuse treatment.
- Staff recruitment and retention have become a greater challenge, due to market salary equity problems.

Accomplishments

- WCHSC has implemented the evidenced-based Matrix Model of addiction treatment.
- Adult and adolescent drug courts continue to produce positive results.
- The WCHSC Vocational Rehabilitation Unit has assisted the start-up of nine new businesses.
- Local pharmacies have assumed the provision of medication packaging services, previously provided by staff nurses.
- We continue to have a minimal number of residents from Region VII enter our two institutions.

Overview of Budget Changes

Description	2005 – 2007 Budget	2007 – 2009 Budget	Increase/ Decrease
HSC/Institutions	\$18,440,618	\$20,768,172	\$2,327,554
General	\$8,898,665	\$10,440,940	\$1,542,275
Federal	\$8,769,852	\$9,411,205	\$641,353
Other	\$772,101	\$916,027	\$143,926
FTEs	130.55	131.55	1.00

- The Governor's salary and benefit package adds \$1,007,462 in total funds of which \$673,456 is general fund.
- Additional changes in the salary area are a result of one additional FTE for drug court efforts, totaling \$97,396 of which \$79,514 is general funds, and realignment of staff to meet client needs and case ratio requirements totaled \$899,408 of which \$548,539 is general funds.
- Travel increased \$63,205 based on Department of Transportation 2007-2009 rates.
- Office Equipment and Furniture increased \$13,370 for replacement of aging office furnishings.
- Building Rent increased \$31,440 based on a \$0.51 per square foot increase.
- IT Communications increased \$26,591 based on Information Technology Department 2007-2009 rates.
- Grants increased by \$230,617 to be used for provider inflationary increases and increased funding for substance abuse short-term residential services.

- Federal Funds increased by \$641,353 based on additional Medical Assistance and Foster Care IV-E Case Management generated through client services and open-ended federal funding sources such as Basic Support for Rehabilitation Services.
- Other Funds increased by \$143,926 based on additional collections for services generated through direct client and third party payments.

Badlands Human Service Center

Badlands Human Service Center serves the people of Adams, Billings, Bowman, Dunn, Golden Valley, Hettinger, Slope, and Stark counties.

Clients Served

- Badlands served 1,942 individuals (1,357 adults and 585 children) in SFY 2006.
- 383 individuals received vocational rehabilitation services.
- Approximately 90% of adults receiving services and parents of children receiving services report satisfaction with those services.
- 82% identify that they have improved ability to deal with their daily problems

Service Trends

- The number of individuals receiving developmental disabilities services has increased, from 252 in SFY 1998 to 339 in SFY 2006.
- More clients present with complex problems including dual diagnosis and polysubstance abuse.
- Number of referrals from the Department of Corrections has increased; this now comprises 48% of individuals in adult addiction programs.

- There has been increasing need for residential services. We will be increasing the number of residential beds by consolidating services into one location, while remaining budget neutral. Attempts to find a provider for adolescent addiction treatment have been unsuccessful.
- Staff recruitment and retention issues have become increasingly difficult, due to market equity problems.

Accomplishments

- BHSC, along with the other Regional Human Service Centers, has implemented the Matrix Model of addiction treatment.
- By July of 2007 we will have increased the number of residential beds available to adults with mental illness and for those who have substance abuse problems from 9 to 15.
- To meet the need of rural areas, we have enhanced our outreach services in Adams, Bowman, Hettinger and Golden Valley counties.
- We continue to maintain low numbers of individuals admitted to the two state institutions.

Overview of Budget Changes

Description	2005 – 2007 Budget	2007 – 2009 Budget	Increase/ Decrease
HSC/Institutions	\$9,062,124	\$9,848,996	\$786,872
General	\$4,334,674	\$5,003,380	\$668,706
Federal	\$3,909,411	\$3,948,747	\$39,336
Other	\$818,039	\$896,869	\$78,830
FTEs	73.95	73.95	0.00

The majority of budget changes can be attributed to:

- Salaries and Fringe Benefits increased by \$674,345; \$552,796 is to fund the Governor's recommended 07-09 salary and benefit package of which \$375,291 is general funds; \$121,549 of the increase is to sustain the 05-07 salary increase over the 07-09 biennium, approximately \$80,500 of this amount is general funds.
- Telephone increase of \$4,506 is due to an increased ITD rate.
- Rent costs increase \$110,744; the majority is in the contract with Dickinson State University.
- Operating Fees decreased by (\$82,950) of which the Infant and Toddlers budget decreased by (\$76,950) and (\$6,000) to fund CARF accreditation for Vocational Rehabilitation programs has been eliminated.
- Miscellaneous Supplies decreased by (\$25,003).
- Grants (contracts) increase of \$118,530; \$76,367 is the result of negotiated rates for psychiatry and psychiatric inpatient services with St Joseph's Hospital. The remainder of the increase, \$42,163, is the result of a 3% annual inflationary factor included in the Governor's budget for our contracted providers.

This concludes my testimony; I would be happy to answer any questions you may have.